

TELECOMMUNICATIONS TAX AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies property tax assessment provisions related to a telecommunications service provider.

Highlighted Provisions:

This bill:

- ▶ defines "public utility" and "telecommunications service provider";
- ▶ provides that the State Tax Commission may not assess property owned by a telecommunications service provider;
- ▶ creates a process for the Multicounty Appraisal Trust to value personal property of a telecommunications service provider before forwarding the information to county assessors for assessment; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

59-2-102, as last amended by Laws of Utah 2021, Chapter 314

59-2-201, as last amended by Laws of Utah 2017, Chapter 425

59-2-306, as last amended by Laws of Utah 2010, Chapter 131

59-2-307, as last amended by Laws of Utah 2021, Chapter 389

59-2-308, as enacted by Laws of Utah 1987, Chapter 4

59-2-1005, as last amended by Laws of Utah 2010, Chapter 131

ENACTS:

59-2-306.5, Utah Code Annotated 1953

33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **59-2-102** is amended to read:

35 **59-2-102. Definitions.**

36 As used in this chapter:

37 (1) (a) "Acquisition cost" means any cost required to put an item of tangible personal
38 property into service.

39 (b) "Acquisition cost" includes:

40 (i) the purchase price of a new or used item;

41 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,
42 skidding, or any other applicable cost of shipping;

43 (iii) the cost of installation, engineering, rigging, erection, or assembly, including
44 foundations, pilings, utility connections, or similar costs; and

45 (iv) sales and use taxes.

46 (2) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of
47 engaging in dispensing activities directly affecting agriculture or horticulture with an
48 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or
49 rotorcraft's use for agricultural and pest control purposes.

50 (3) "Air charter service" means an air carrier operation that requires the customer to
51 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled
52 trip.

53 (4) "Air contract service" means an air carrier operation available only to customers
54 that engage the services of the carrier through a contractual agreement and excess capacity on
55 any trip and is not available to the public at large.

56 (5) "Aircraft" means the same as that term is defined in Section 72-10-102.

57 (6) (a) Except as provided in Subsection (6)(b), "airline" means an air carrier that:

58 (i) operates:

59 (A) on an interstate route; and

60 (B) on a scheduled basis; and

61 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a
62 regularly scheduled route.

63 (b) "Airline" does not include an:

64 (i) air charter service; or

65 (ii) air contract service.

66 (7) "Assessment roll" or "assessment book" means a permanent record of the
67 assessment of property as assessed by the county assessor and the commission and may be
68 maintained manually or as a computerized file as a consolidated record or as multiple records
69 by type, classification, or categories.

70 (8) "Base parcel" means a parcel of property that was legally:

71 (a) subdivided into two or more lots, parcels, or other divisions of land; or

72 (b) (i) combined with one or more other parcels of property; and

73 (ii) subdivided into two or more lots, parcels, or other divisions of land.

74 (9) (a) "Certified revenue levy" means a property tax levy that provides an amount of
75 ad valorem property tax revenue equal to the sum of:

76 (i) the amount of ad valorem property tax revenue to be generated statewide in the
77 previous year from imposing a multicounty assessing and collecting levy, as specified in
78 Section 59-2-1602; and

79 (ii) the product of:

80 (A) eligible new growth, as defined in Section 59-2-924; and

81 (B) the multicounty assessing and collecting levy certified by the commission for the
82 previous year.

83 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not
84 include property tax revenue received by a taxing entity from personal property that is:

85 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and

86 (ii) semiconductor manufacturing equipment.

87 (c) For purposes of calculating the certified revenue levy described in this Subsection
88 (9), the commission shall use:

89 (i) the taxable value of real property assessed by a county assessor contained on the
90 assessment roll;

91 (ii) the taxable value of real and personal property assessed by the commission; and

92 (iii) the taxable year end value of personal property assessed by a county assessor
93 contained on the prior year's assessment roll.

94 (10) "County-assessed commercial vehicle" means:

(a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in furtherance of the owner's commercial enterprise;

(b) any passenger vehicle owned by a business and used by its employees for transportation as a company car or vanpool vehicle; and

(c) vehicles that are:

(i) especially constructed for towing or wrecking, and that are not otherwise used to transport goods, merchandise, or people for compensation;

(ii) used or licensed as taxicabs or limousines;

(iii) used as rental passenger cars, travel trailers, or motor homes;

(iv) used or licensed in this state for use as ambulances or hearses;

(v) especially designed and used for garbage and rubbish collection; or

(vi) used exclusively to transport students or their instructors to or from any private, public, or religious school or school activities.

(11) "Eligible judgment" means a final and unappealable judgment or order under Section 59-2-1330:

(a) that became a final and unappealable judgment or order no more than 14 months before the day on which the notice described in Section 59-2-919.1 is required to be provided; and

(b) for which a taxing entity's share of the final and unappealable judgment or order is greater than or equal to the lesser of:

(i) \$5,000; or

(ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the previous fiscal year.

(12) (a) "Escaped property" means any property, whether personal, land, or any improvements to the property, that is subject to taxation and is:

(i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed to the wrong taxpayer by the assessing authority;

(ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to comply with the reporting requirements of this chapter; or

(iii) undervalued because of errors made by the assessing authority based upon

126 incomplete or erroneous information furnished by the taxpayer.

127 (b) "Escaped property" does not include property that is undervalued because of the use
128 of a different valuation methodology or because of a different application of the same valuation
129 methodology.

130 (13)(a) "Fair market value" means the amount at which property would change hands
131 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell
132 and both having reasonable knowledge of the relevant facts.

133 (b) For purposes of taxation, "fair market value" shall be determined using the current
134 zoning laws applicable to the property in question, except in cases where there is a reasonable
135 probability of a change in the zoning laws affecting that property in the tax year in question and
136 the change would have an appreciable influence upon the value.

137 (14) "Geothermal fluid" means water in any form at temperatures greater than 120
138 degrees centigrade naturally present in a geothermal system.

139 (15) "Geothermal resource" means:

140 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;
141 and

142 (b) the energy, in whatever form, including pressure, present in, resulting from, created
143 by, or which may be extracted from that natural heat, directly or through a material medium.

144 (16) (a) "Goodwill" means:

145 (i) acquired goodwill that is reported as goodwill on the books and records that a
146 taxpayer maintains for financial reporting purposes; or

147 (ii) the ability of a business to:

148 (A) generate income that exceeds a normal rate of return on assets and that results from
149 a factor described in Subsection (16)(b); or

150 (B) obtain an economic or competitive advantage resulting from a factor described in
151 Subsection (16)(b).

152 (b) The following factors apply to Subsection (16)(a)(ii):

153 (i) superior management skills;

154 (ii) reputation;

155 (iii) customer relationships;

156 (iv) patronage; or

(v) a factor similar to Subsections (16)(b)(i) through (iv).

(c) "Goodwill" does not include:

(i) the intangible property described in Subsection (19)(a) or (b);

(ii) locational attributes of real property, including:

(A) zoning;

(B) location;

(C) view;

(D) a geographic feature;

(E) an easement;

(F) a covenant;

(G) proximity to raw materials;

(H) the condition of surrounding property; or

(I) proximity to markets;

(iii) value attributable to the identification of an improvement to real property,

including:

(A) reputation of the designer, builder, or architect of the improvement;

(B) a name given to, or associated with, the improvement; or

(C) the historic significance of an improvement; or

(iv) the enhancement or assemblage value specifically attributable to the interrelation

of the existing tangible property in place working together as a unit.

(17) "Governing body" means:

(a) for a county, city, or town, the legislative body of the county, city, or town;

(b) for a local district under Title 17B, Limited Purpose Local Government Entities -

Local Districts, the local district's board of trustees;

(c) for a school district, the local board of education;

(d) for a special service district under Title 17D, Chapter 1, Special Service District

Act:

(i) the legislative body of the county or municipality that created the special service

district, to the extent that the county or municipal legislative body has not delegated authority

to an administrative control board established under Section 17D-1-301; or

(ii) the administrative control board, to the extent that the county or municipal

legislative body has delegated authority to an administrative control board established under Section 17D-1-301; or

(e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act, the public infrastructure district's board of trustees.

(18) (a) Except as provided in Subsection (18)(c), "improvement" means a building, structure, fixture, fence, or other item that is permanently attached to land, regardless of whether the title has been acquired to the land, if:

(i) (A) attachment to land is essential to the operation or use of the item; and

(B) the manner of attachment to land suggests that the item will remain attached to the land in the same place over the useful life of the item; or

(ii) removal of the item would:

(A) cause substantial damage to the item; or

(B) require substantial alteration or repair of a structure to which the item is attached.

(b) "Improvement" includes:

(i) an accessory to an item described in Subsection (18)(a) if the accessory is:

(A) essential to the operation of the item described in Subsection (18)(a); and

(B) installed solely to serve the operation of the item described in Subsection (18)(a);

and

(ii) an item described in Subsection (18)(a) that is temporarily detached from the land for repairs and remains located on the land.

(c) "Improvement" does not include:

(i) an item considered to be personal property pursuant to rules made in accordance with Section 59-2-107;

(ii) a moveable item that is attached to land for stability only or for an obvious temporary purpose;

(iii) (A) manufacturing equipment and machinery; or

(B) essential accessories to manufacturing equipment and machinery;

(iv) an item attached to the land in a manner that facilitates removal without substantial damage to the land or the item; or

(v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that transportable factory-built housing unit is considered to be personal property under Section

219 59-2-1503.

220 (19) "Intangible property" means:

221 (a) property that is capable of private ownership separate from tangible property,
222 including:

223 (i) money;

224 (ii) credits;

225 (iii) bonds;

226 (iv) stocks;

227 (v) representative property;

228 (vi) franchises;

229 (vii) licenses;

230 (viii) trade names;

231 (ix) copyrights; and

232 (x) patents;

233 (b) a low-income housing tax credit;

234 (c) goodwill; or

235 (d) a renewable energy tax credit or incentive, including:

236 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
237 Code;

238 (ii) a federal energy credit for qualified renewable electricity production facilities under
239 Section 48, Internal Revenue Code;

240 (iii) a federal grant for a renewable energy property under American Recovery and
241 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and

242 (iv) a tax credit under Subsection 59-7-614(5).

243 (20) "Livestock" means:

244 (a) a domestic animal;

245 (b) a fish;

246 (c) a fur-bearing animal;

247 (d) a honeybee; or

248 (e) poultry.

249 (21) "Low-income housing tax credit" means:

(a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
or

(b) a low-income housing tax credit under Section 59-7-607 or Section 59-10-1010.

(22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

(23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
valuable mineral.

(24) "Mining" means the process of producing, extracting, leaching, evaporating, or
otherwise removing a mineral from a mine.

(25) (a) "Mobile flight equipment" means tangible personal property that is owned or
operated by an air charter service, air contract service, or airline and:

(i) is capable of flight or is attached to an aircraft that is capable of flight; or

(ii) is contained in an aircraft that is capable of flight if the tangible personal property
is intended to be used:

(A) during multiple flights;

(B) during a takeoff, flight, or landing; and

(C) as a service provided by an air charter service, air contract service, or airline.

(b) (i) "Mobile flight equipment" does not include a spare part other than a spare
engine that is rotated at regular intervals with an engine that is attached to the aircraft.

(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission may make rules defining the term "regular intervals."

(26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,
sand, rock, gravel, and all carboniferous materials.

(27) "Part-year residential property" means property that is not residential property on
January 1 of a calendar year but becomes residential property after January 1 of the calendar
year.

(28) "Personal property" includes:

(a) every class of property as defined in Subsection (29) that is the subject of
ownership and is not real estate or an improvement;

(b) any pipe laid in or affixed to land whether or not the ownership of the pipe is
separate from the ownership of the underlying land, even if the pipe meets the definition of an
improvement;

281 (c) bridges and ferries;
282 (d) livestock; and
283 (e) outdoor advertising structures as defined in Section 72-7-502.

284 (29) (a) "Property" means property that is subject to assessment and taxation according
285 to its value.

286 (b) "Property" does not include intangible property as defined in this section.

287 (30) (a) "Public utility" means:

288 ~~[(a) for purposes of this chapter,]~~ (i) the operating property of a railroad, gas
289 corporation, oil or gas transportation or pipeline company, coal slurry pipeline company,
290 electrical corporation, ~~[telephone corporation,]~~ sewerage corporation, or heat corporation where
291 the company performs the service for, or delivers the commodity to, the public generally or
292 companies serving the public generally, or in the case of a gas corporation or an electrical
293 corporation, where the gas or electricity is sold or furnished to any member or consumers
294 within the state for domestic, commercial, or industrial use; and

295 ~~[(b)]~~ (ii) the operating property of any entity or person defined under Section 54-2-1
296 except water corporations.

297 (b) "Public utility" does not include the operating property of a telecommunications
298 service provider.

299 (31) (a) Subject to Subsection (31)(b), "qualifying exempt primary residential rental
300 personal property" means household furnishings, furniture, and equipment that:

301 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;
302 (ii) are owned by the owner of the dwelling unit that is the primary residence of a
303 tenant; and

304 (iii) after applying the residential exemption described in Section 59-2-103, are exempt
305 from taxation under this chapter in accordance with Subsection 59-2-1115(2).

306 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
307 commission may by rule define the term "dwelling unit" for purposes of this Subsection (31)
308 and Subsection (34).

309 (32) "Real estate" or "real property" includes:

310 (a) the possession of, claim to, ownership of, or right to the possession of land;
311 (b) all mines, minerals, and quarries in and under the land, all timber belonging to

individuals or corporations growing or being on the lands of this state or the United States, and all rights and privileges appertaining to these; and

(c) improvements.

(33) (a) "Relationship with an owner of the property's land surface rights" means a relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

(b) For purposes of determining if a relationship described in Subsection 267(b), Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership rules in Subsection 267(c), Internal Revenue Code.

(34) (a) "Residential property," for purposes of the reductions and adjustments under this chapter, means any property used for residential purposes as a primary residence.

(b) "Residential property" includes:

(i) except as provided in Subsection (34)(b)(ii), includes household furnishings, furniture, and equipment if the household furnishings, furniture, and equipment are:

(A) used exclusively within a dwelling unit that is the primary residence of a tenant;

and

(B) owned by the owner of the dwelling unit that is the primary residence of a tenant;

and

(ii) if the county assessor determines that the property will be used for residential purposes as a primary residence:

(A) property under construction; or

(B) unoccupied property.

(c) "Residential property" does not include property used for transient residential use.

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "dwelling unit" for purposes of Subsection (31) and this Subsection (34).

(35) "Split estate mineral rights owner" means a person that:

(a) has a legal right to extract a mineral from property;

(b) does not hold more than a 25% interest in:

(i) the land surface rights of the property where the wellhead is located; or

(ii) an entity with an ownership interest in the land surface rights of the property where

the wellhead is located;

(c) is not an entity in which the owner of the land surface rights of the property where the wellhead is located holds more than a 25% interest; and

(d) does not have a relationship with an owner of the land surface rights of the property where the wellhead is located.

(36) (a) "State-assessed commercial vehicle" means:

(i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to transport passengers, freight, merchandise, or other property for hire; or

(ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

(b) "State-assessed commercial vehicle" does not include vehicles used for hire that are specified in Subsection (10)(c) as county-assessed commercial vehicles.

(37) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of a base parcel.

(38) "Tax area" means a geographic area created by the overlapping boundaries of one or more taxing entities.

(39) "Taxable value" means fair market value less any applicable reduction allowed for residential property under Section 59-2-103.

(40) "Taxing entity" means any county, city, town, school district, special taxing district, local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, or other political subdivision of the state with the authority to levy a tax on property.

(41) (a) "Tax roll" means a permanent record of the taxes charged on property, as extended on the assessment roll, and may be maintained on the same record or records as the assessment roll or may be maintained on a separate record properly indexed to the assessment roll.

(b) "Tax roll" includes tax books, tax lists, and other similar materials.

(42) "Telecommunications service provider" means the same as that term is defined in Section 59-12-102.

Section 2. Section **59-2-201** is amended to read:

59-2-201. Assessment by commission -- Determination of value of mining property -- Determination of value of aircraft -- Notification of assessment -- Local

assessment of property assessed by the unitary method -- Commission may consult with county.

(1) (a) By May 1 of each year, the following property, unless otherwise exempt under the Utah Constitution or under Part 11, Exemptions, Deferrals, and Abatements, shall be assessed by the commission at 100% of fair market value, as valued on January 1, in accordance with this chapter:

(i) except as provided in Subsection (2), all property that operates as a unit across county lines, if the values must be apportioned among more than one county or state;

(ii) all property of public utilities;

(iii) all operating property of an airline, air charter service, and air contract service;

(iv) all geothermal fluids and geothermal resources;

(v) all mines and mining claims except in cases, as determined by the commission, where the mining claims are used for other than mining purposes, in which case the value of mining claims used for other than mining purposes shall be assessed by the assessor of the county in which the mining claims are located; and

(vi) all machinery used in mining, all property or surface improvements upon or appurtenant to mines or mining claims. For the purposes of assessment and taxation, all processing plants, mills, reduction works, and smelters that are primarily used by the owner of a mine or mining claim for processing, reducing, or smelting minerals taken from a mine or mining claim shall be considered appurtenant to that mine or mining claim, regardless of actual location.

(b) (i) For purposes of Subsection (1)(a)(iii), operating property of an air charter service does not include an aircraft that is:

(A) used by the air charter service for air charter; and

(B) owned by a person other than the air charter service.

(ii) For purposes of this Subsection (1)(b):

(A) "person" means a natural person, individual, corporation, organization, or other legal entity; and

(B) a person does not qualify as a person other than the air charter service as described in Subsection (1)(b)(i)(B) if the person is:

(I) a principal, owner, or member of the air charter service; or

(II) a legal entity that has a principal, owner, or member of the air charter service as a principal, owner, or member of the legal entity.

(2) (a) The commission may not assess property owned by a telecommunications service provider.

(b) The commission shall assess and collect property tax on state-assessed commercial vehicles at the time of original registration or annual renewal.

~~[(a)]~~ (i) The commission shall assess and collect property tax annually on state-assessed commercial vehicles that are registered pursuant to Section 41-1a-222 or 41-1a-228.

~~[(b)]~~ (ii) State-assessed commercial vehicles brought into the state that are required to be registered in Utah shall, as a condition of registration, be subject to ad valorem tax unless all property taxes or fees imposed by the state of origin have been paid for the current calendar year.

~~[(c)]~~ (iii) Real property, improvements, equipment, fixtures, or other personal property in this state owned by the company shall be assessed separately by the local county assessor.

~~[(d)]~~ (iv) The commission shall adjust the value of state-assessed commercial vehicles as necessary to comply with 49 U.S.C. Sec. 14502, and the commission shall direct the county assessor to apply the same adjustment to any personal property, real property, or improvements owned by the company and used directly and exclusively in their commercial vehicle activities.

(3) (a) The method for determining the fair market value of productive mining property is the capitalized net revenue method or any other valuation method the commission believes, or the taxpayer demonstrates to the commission's satisfaction, to be reasonably determinative of the fair market value of the mining property.

(b) The commission shall determine the rate of capitalization applicable to mines, consistent with a fair rate of return expected by an investor in light of that industry's current market, financial, and economic conditions.

(c) In no event may the fair market value of the mining property be less than the fair market value of the land, improvements, and tangible personal property upon or appurtenant to the mining property.

(4) (a) As used in this Subsection (4), "aircraft pricing guide" means a nationally recognized publication that assigns value estimates for individual commercial aircraft that are:

(i) identified by year, make, and model; and

(ii) in average condition typical for the aircraft's type and vintage.

(b) (i) Except as provided in Subsection (4)(d), the commission shall use an aircraft pricing guide, adjusted as provided in Subsection (4)(c), to determine the fair market value of aircraft assessed under this part.

(ii) The commission shall use the Airliner Price Guide as the aircraft pricing guide, except that:

(A) if the Airliner Price Guide is no longer published or the commission determines that another aircraft pricing guide more reasonably reflects the fair market value of aircraft, the commission, after consulting with the airlines operating in the state, shall select an alternative aircraft pricing guide;

(B) if an aircraft is not listed in the Airliner Price Guide, the commission shall use the Aircraft Bluebook Price Digest as the aircraft pricing guide; and

(C) if the Aircraft Bluebook Price Digest is no longer published or the commission determines that another aircraft pricing guide more reasonably reflects the fair market value of aircraft, the commission, after consulting with the airlines operating in the state, shall select an alternative aircraft pricing guide.

(c) (i) To reflect the value of an aircraft fleet that is used as part of the operating property of an airline, air charter service, or air contract service, the fair market value of the aircraft shall include a fleet adjustment as provided in this Subsection (4)(c).

(ii) If the aircraft pricing guide provides a method for making a fleet adjustment, the commission shall use the method described in the aircraft pricing guide.

(iii) If the aircraft pricing guide does not provide a method for making a fleet adjustment, the commission shall make a fleet adjustment by reducing the aircraft pricing guide value of each aircraft in the fleet by .5% for each aircraft over three aircraft up to a maximum 20% reduction.

(d) The commission may use an alternative method for valuing aircraft of an airline, air charter service, or air contract service if the commission:

(i) has clear and convincing evidence that the aircraft values reflected in the aircraft pricing guide do not reasonably reflect fair market value of the aircraft; and

(ii) cannot identify an alternative aircraft pricing guide from which the commission

may determine aircraft value.

(5) Immediately following the assessment, the commission shall send, by certified mail, notice of the assessment to the owner or operator of the assessed property and the assessor of the county in which the property is located.

(6) The commission may consult with a county in valuing property in accordance with this part.

(7) The local county assessor shall separately assess property that is assessed by the unitary method if the commission determines that the property:

(a) is not necessary to the conduct of the business; and

(b) does not contribute to the income of the business.

Section 3. Section 59-2-306 is amended to read:

59-2-306. Statements by taxpayers -- Power of assessors respecting statements -- Reporting information to other counties, taxpayer.

(1) (a) ~~[The]~~ Except as provided in Subsection (1)(c), the county assessor may request a signed statement from any person setting forth all the real and personal property assessable by the assessor ~~[which is owned, possessed, managed, or under the control of the person]~~ that the person owns, possesses, manages, or has under the person's control at 12 noon on January 1.

(b) A request under Subsection (1)(a) shall include a notice of the procedure under Section 59-2-1005 for appealing the value of the personal property.

(c) A telecommunications service provider shall file a signed statement setting forth the telecommunications service provider's:

(i) real property in accordance with this section; and

(ii) personal property in accordance with Section 59-2-306.5.

(d) A telecommunications service provider shall claim an exemption for personal property in accordance with Section 59-2-1115.

(2) (a) Except as provided in Subsection (2)(b) or (c), a person shall file a signed statement described in Subsection (1) [shall be filed] on or before May 15 of the year the county assessor requests the statement described in Subsection (1) [is requested by the county assessor].

(b) For a county of the first class, a person shall file the signed statement described in Subsection (1) ~~[shall be filed]~~ on or before the later of:

(i) 60 days after ~~[requested by the assessor]~~ the day on which the county assessor requests the statement; or

(ii) ~~[on or before]~~ May 15 of the year the county assessor requests the statement described in Subsection (1) ~~[is requested by the county assessor]~~ if, by resolution, the county legislative body of that county adopts the deadline described in Subsection (2)(a).

(c) If a county assessor requests a signed statement described in Subsection (1) on or after March 16, the person shall file the signed statement within 60 days after ~~[requested by the assessor]~~ the day on which the county assessor requests the signed statement.

(3) The signed statement shall include the following:

(a) all property belonging to, claimed by, or in the possession, control, or management of the person, any firm of which the person is a member, or any corporation of which the person is president, secretary, cashier, or managing agent;

(b) the county in which the property is located or in which ~~[it]~~ the property is taxable; and, if taxable in the county in which the signed statement was made, also the city, town, school district, road district, or other taxing district in which ~~[it]~~ the property is located or taxable; and

(c) all lands in parcels or subdivisions not exceeding 640 acres each, the sections and fractional sections of all tracts of land containing more than 640 acres ~~[which]~~ that have been sectionized by the United States Government, and the improvements on those lands.

(4) Every county assessor may subpoena and examine any person in any county in relation to any signed statement but may not require that person to appear in any county other than the county in which the subpoena is served.

(5) (a) Except as provided in Subsection (5)(b), if the signed statement discloses property in any other county, the county assessor shall file the signed statement and send a copy to the county assessor of each county in which the property is located.

(b) If the signed statement discloses personal property of a telecommunications service provider, the county assessor shall notify the telecommunications service provider of the requirement to file a signed statement in accordance with Section 59-2-306.5.

Section 4. Section **59-2-306.5** is enacted to read:

59-2-306.5. Valuation of personal property of telecommunications service provider -- Reporting information to counties.

(1) As used in this section, "Multicounty Appraisal Trust" means the same as that term is defined in Section 59-2-1601.

(2) A telecommunications service provider shall provide to the Multicounty Appraisal Trust a signed statement setting forth all of the personal property that the telecommunications service provider owns, possesses, manages, or has under the telecommunications service provider's control in the state.

(3) The signed statement shall:

(a) itemize each item of personal property that the telecommunications service provider owns, possesses, manages, or has under the telecommunications service provider's control:

(i) by county; and

(ii) for the tax year that began on January 1; and

(b) be submitted:

(i) annually on or before May 15; and

(ii) electronically in a form approved by the commission.

(4) (a) The Multicounty Appraisal Trust shall value each item of personal property of a telecommunications service provider according to the personal property valuation guides and schedules established by the commission.

(b) A telecommunications service provider may appeal the valuation of personal property in accordance with Section 59-2-1005.

(5) The Multicounty Appraisal Trust shall forward to each county information about the total value of personal property of each telecommunications service provider within the county.

(6) If a signed statement filed in accordance with this section discloses real property, the Multicounty Appraisal Trust shall send a copy of the signed statement to the county in which the property is located.

Section 5. Section **59-2-307** is amended to read:

59-2-307. Refusal by taxpayer to file signed statement -- Estimation of Value -- Penalty.

(1) (a) Each person [~~who~~] that fails to file the signed statement required by Section 59-2-306 or Section 59-2-306.5, fails to file the signed statement with respect to name and place of residence, or fails to appear and testify when requested by the assessor, shall pay a

penalty equal to 10% of the estimated tax due, but not less than \$25 for each failure to file a signed and completed statement.

(b) The Multicounty Appraisal Trust shall notify the county assessor of a telecommunications service provider's failure to file the signed statement.

~~[(b)] (c) [Each]~~ The assessor shall collect each penalty under Subsection (1)(a) ~~[shall be collected]~~ in the manner provided by Sections 59-2-1302 and 59-2-1303, except as otherwise provided for in this section, or by a judicial proceeding brought in the name of the assessor.

~~[(c) All money recovered by any assessor under this section shall be paid into the county treasury.]~~

(d) The assessor shall pay all money recovered under this section into the county treasury.

(2) ~~[(a)]~~ Upon a showing of reasonable cause, a county may waive or reduce a penalty imposed under Subsection (1)(a).

~~[(b)] (a)~~ (i) Except as provided in Subsection (2)(b)(ii), a county assessor may impose a penalty under Subsection (1)(a) ~~[may be imposed]~~ on or after May 16 of the year the county assessor requests the statement described in Section 59-2-306 ~~[is requested by the county assessor]~~ or is due under Section 59-2-306.5.

(ii) A county assessor may not impose a penalty under Subsection (1)(a) ~~[may not be imposed]~~ until 30 days after the postmark date of mailing of a subsequent notice if the signed statement described in Section 59-2-306 is requested:

(A) on or after March 16; or

(B) by a county assessor of a county of the first class.

(3) (a) If an owner neglects or refuses to file a signed statement requested by an assessor as required under Section 59-2-306:

(i) the assessor shall:

(A) make a record of the failure to file; and

(B) make an estimate of the value of the property of the owner based on known facts and circumstances; and

(ii) the assessor of a county of the first class:

(A) shall make a subsequent request by mail for the signed statement, informing the

owner of the consequences of not filing a signed statement; and

(B) may impose a fee for the actual and necessary expenses of the mailing under Subsection (3)(a)(ii)(A).

(b) (i) If a telecommunications service provider neglects or refuses to file a signed statement in accordance with Section 59-2-306.5, the Multicounty Appraisal Trust shall make:

(A) a record of the failure to file;

(B) a request by mail for the signed statement, informing the telecommunications service provider of the consequences of not filing a signed statement; and

(C) an estimate of the value of the personal property of the telecommunications service provider based on known facts and circumstances.

(ii) The Multicounty Appraisal Trust may impose a fee for the actual and necessary expenses of the mailing under Subsection (3)(b)(i)(B).

(c) A county board of equalization or the commission may not reduce the value fixed by the assessor in accordance with Subsection (3)(a)(i) or the Multicounty Appraisal Trust in accordance with Subsection (3)(b)(i).

~~[(b) The value fixed by the assessor in accordance with Subsection (3)(a)(i) may not be reduced by the county board of equalization or by the commission.]~~

~~[(4) If the signed statement discloses property in any other county, the assessor shall file the signed statement and send a copy to the assessor of each county in which the property is located.]~~

Section 6. Section **59-2-308** is amended to read:

59-2-308. Assessment in name of representative -- Assessment of property of decedents -- Assessment of property in litigation -- Assessment of personal property valued by Multicounty Appraisal Trust.

(1) If a person is assessed as agent, trustee, bailee, guardian, executor, or administrator, ~~[the]~~ a county shall:

(a) add the representative designation [shall be added] to the name[;]; and [the assessment entered]

(b) enter the assessment separately from the individual assessment.

(2) ~~[The]~~ A county may assess the undistributed or unpartitioned property of a deceased ~~[person may be assessed]~~ individual to an heir, guardian, executor, or administrator,

and the payment of taxes binds all the parties in interest.

(3) Property in litigation, which is in the possession of a court or receiver, shall be assessed to the court clerk or receiver, and the taxes shall be paid under the direction of the court.

(4) A county shall add the valuation the Multicounty Appraisal Trust gives to personal property of a telecommunications service provider to the valuation of any real property of the telecommunications service provider within the county before making an assessment in accordance with this part.

Section 7. Section **59-2-1005** is amended to read:

59-2-1005. Procedures for appeal of personal property valuation -- Time for appeal -- Hearing -- Decision -- Appeal to commission.

(1)(a) A taxpayer owning personal property assessed by a county assessor under Section 59-2-301 may make an appeal relating to the value of the personal property by filing an application with the county legislative body no later than:

(i) the expiration of the time allowed under Section 59-2-306 for filing a signed statement, if the county assessor requests a signed statement under Section 59-2-306 or the expiration of the time allowed under Section 59-2-306.5 if the taxpayer is a telecommunications service provider; or

(ii) 60 days after the mailing of the tax notice, for each other taxpayer.

(b) A county legislative body shall:

(i) after giving reasonable notice, hear an appeal filed under Subsection (1)(a); and

(ii) render a written decision on the appeal within 60 days after receiving the appeal.

(c) If the taxpayer is dissatisfied with a county legislative body decision under Subsection (1)(b), the taxpayer may file an appeal with the commission in accordance with Section 59-2-1006.

(2) A taxpayer owning personal property subject to a fee in lieu of tax or a uniform tax under Article XIII, Section 2 of the Utah Constitution that is based on the value of the property may appeal the basis of the value by filing an appeal with the commission within 30 days after the mailing of the tax notice.

Section 8. **Effective date.**

This bill takes effect on January 1, 2023.

